

New Legislation

New Information

Effective January 1, 2011, new legislation allows motor vehicle dealers to post copies of salesperson licenses and reclaim their deposits under specified conditions. Additionally, new Federal Trade Commission (FTC) regulations require dealers to provide credit score disclosures to consumers in lieu of the more complicated risk-based pricing notices.

Salesperson License Display and Working at Multiple Dealerships

- A true and exact copy of the salesperson license may be posted in lieu of the original license. The original license must be surrendered to the dealer for the length of the salesperson's employment.
- Upon termination of the salesperson's employment, the original salesperson license must be returned to the salesperson. All copies of the license on display must be destroyed.
- A Salesperson may work for more than one dealership, if all of the dealers share a common controlling ownership (at least 50 percent) of all dealerships where the salesperson would work.

Reclaiming Deposits

Dealers may reclaim their deposits five (5) years from the date the licensee secured and maintained a dealer surety bond, after posting a deposit, if the Department of Motor Vehicles (DMV) is satisfied there are no outstanding claims against the deposit. This change to deposits does not apply to other Occupational Licensing (OL) deposits.

Additionally, DMV will continue to return a dealer's deposit under any of the following conditions:

- The dealer had operated under a temporary permit, ceased doing business, and the DMV was not aware of any claims.
- The dealer had operated under a license, three (3) years had passed since the dealer ceased being licensed, and DMV was not aware of any claims.
- The dealer had given DMV a new bond or deposit and the bond or agreement spelled out that the new bond or deposit was liable for losses arising under the old deposit.
- A judge of the superior court ordered DMV to return the deposit.

Notification of Consumer Credit Score

For each consumer credit score obtained for use with a consumer's credit application, a dealer must:

- Provide the potential buyer a summary of the credit information report that corresponds to the current federal credit score reporting requirements.

Title 16 of the *Code of Federal Regulations* Part B, Appendix B, B-4 (sample attached) complies with the requirements of this section.

Background

Recent legislation was implemented to update California law governing motor vehicle dealers and salespersons to reflect changes in the operation and structure of companies selling motor vehicles.

References

California Vehicle Code §§11806(g), 11812, 11710.2, and 11713.20

Distribution

Notification that this memo is available online at **www.dmv.ca.gov/pubs/olin/olin.htm** was made via California DMV's Automated E-mail Alert System in May 2011, to the following:

- Dealers
- Salespersons

Contact

If you have any questions regarding this memo, contact at Commercial Licensing Policy at (916) 657-6550.



MARY GARCIA, Chief Occupational Licensing

Attachment

B-4. Model form for credit score disclosure exception for loans not secured by residential real property

[Name of Entity Providing the Notice]
Your Credit Score and the Price You Pay for Credit

Your Credit Score	
Your credit score	[Insert credit score]
	Source: [Insert source] Date: [Insert date score was created]

Understanding Your Credit Score															
What you should know about credit scores	<p>Your credit score is a number that reflects the information in your credit report.</p> <p>Your credit report is a record of your credit history. It includes information about whether you pay your bills on time and how much you owe to creditors.</p> <p>Your credit score can change, depending on how your credit history changes.</p>														
How we use your credit score	<p>Your credit score can affect whether you can get a loan and how much you will have to pay for that loan.</p>														
The range of scores	<p>Scores range from a low of [Insert bottom number in the range] to a high of [Insert top number in the range].</p> <p>Generally, the higher your score, the more likely you are to be offered better credit terms.</p>														
How your score compares to the scores of other consumers	<div style="text-align: center;"> <table border="1"> <caption>Score Range Distribution Data</caption> <thead> <tr> <th>Score Range</th> <th>% of Consumers</th> </tr> </thead> <tbody> <tr> <td>[0-100]</td> <td>10%</td> </tr> <tr> <td>[101-200]</td> <td>15%</td> </tr> <tr> <td>[201-300]</td> <td>20%</td> </tr> <tr> <td>[301-400]</td> <td>30%</td> </tr> <tr> <td>[401-500]</td> <td>15%</td> </tr> <tr> <td>[501-600]</td> <td>10%</td> </tr> </tbody> </table> </div> <p>[or] [Your credit score ranks higher than [X] percent of U.S. consumers.]</p>	Score Range	% of Consumers	[0-100]	10%	[101-200]	15%	[201-300]	20%	[301-400]	30%	[401-500]	15%	[501-600]	10%
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Checking Your Credit Report	
What if there are mistakes in your credit report?	<p>You have a right to dispute any inaccurate information in your credit report. If you find mistakes on your credit report, contact the consumer reporting agency.</p> <p>It is a good idea to check your credit report to make sure the information it contains is accurate.</p>
How can you obtain a copy of your credit report?	<p>Under federal law, you have the right to obtain a free copy of your credit report from each of the nationwide consumer reporting agencies once a year.</p> <p>To order your free annual credit report—</p> <p><i>By telephone:</i> Call toll-free: 1-877-322-8228</p> <p><i>On the web:</i> Visit www.annualcreditreport.com</p> <p><i>By mail:</i> Mail your completed Annual Credit Report Request Form (which you can obtain from the Federal Trade Commission's web site at http://www.ftc.gov/bcp/online/include/requestformfinal.pdf) to:</p> <p>Annual Credit Report Request Service P.O. Box 105281 Atlanta, GA 30348-5281</p>
How can you get more information?	<p>For more information about credit reports and your rights under federal law, visit the Federal Reserve Board's web site at www.federalreserve.gov, or the Federal Trade Commission's web site at www.ftc.gov.</p>